



# A Financial Conversation Between Your Present and Future Selves

by Advisor Voices on July 10, 2014 | posted in Advisor Voices

By Jonathan DeYoe

[Learn more about Jonathan on NerdWallet's Ask an Advisor](#)

If we didn't always want to spend it on something else, we would all habitually save more.

In a recent survey, 55% of Americans said they fear not having enough money to last through their retirement. The Bank of America's Merrill Edge survey, reported in USA Today, polled 1,000 people called the emerging affluent — those with \$50,000-\$250,000 in investments, excluding their homes and other real estate. First, note that the people in this category are already better off than the majority, and it bears repeating that these people have saved more than most Americans, and still they are worried about retirement. Maybe they are more prone to anxiety or maybe there are many people who underestimate their future needs and we have a serious problem on our hands.

OK, but that fear only goes so far, since the poll also found that 33% of people aren't willing to cut back on their entertainment expenses, while 30% refuse to stop eating out and 28% won't put off their vacations. Meanwhile, 63% said that living in the present is more important than the future. In other words, they decided to spend and not save. Even though their future selves will absolutely disagree with this choice, they aren't talking to their future selves.

It is easy to spend money now, it makes us feel good — if only for a moment — and it is deeply ingrained in our habits. The survey also found that 89% have a household budget, but 66% of those people regularly fail to live within their budget.

The statistics in this poll square with my experiences in the past 20 years with clients who struggle to find balance in spending versus saving.

My advice? Adopt a countercultural approach when it comes to spending. Start by reading Aesop's "The Ant and the Grasshopper" or watch "A Bug's Life" from Pixar. In Aesop's fable, the ant works hard all summer and stores up food for winter while the grasshopper plays. Then, when winter comes, the grasshopper starves and begs the ant to share his food. In the Pixar movie, the grasshoppers steal the food they need.

The lesson here:

**It is what it is.** Today, our fear of not having enough later isn't strong enough to overpower our desire to have more right now. In order to overcome this, we must cultivate a conversation between our current and future selves and an understanding of the coming retirement crisis.

**It is what we made it, and what we continue to make it with every decision.** This is entirely an issue of recognition and choice. As we come to know and love our future selves, we will recognize the problem and only then will we be able to make a different choice.

**It changes when we change.** It is a real and serious problem, but it is entirely within our power to change it. We can't fix it for everyone, but we can make better decisions for ourselves, and we can start by storing up a few resources for winter.

If you want to change, then internalize the message of Aesop's fable: Do you want to be the ant or the grasshopper?

View article on [Nerdwallet](#)

*Jonathan K. DeYoe, AIF and CPWA, is the founder and President of [DeYoe Wealth Management](#) in Berkeley, CA and blogs at [The Happiness Dividend Blog](#). Follow Happiness Dividend on [Facebook](#) at [www.facebook.com/DeYoeWealth](http://www.facebook.com/DeYoeWealth) or [Twitter](#) at [@HappinessDiv](#).*

*Financial Planning and Investment Advisory Services offered through DeYoe Wealth Management, Inc., A Registered Investment Advisor. Securities offered through LPL Financial, Member FINRA/SIPC.*

*The opinions voiced in this material are for general information only and are not intended to provide specific advice or recommendations to any individual. For your individual planning & investing needs, please see your investment professional.*

